

06-28-1999



MRD  
6-28-99

To the Honorable Commissioner of Patents

101048940

Original documents or copy thereof.

1. Name of conveying party(ies):

Cleveland Mills Company  
805 Spartan Boulevard  
Spartanburg, SC 29301

- Individual(s)
- General Partnership
- Corporation-State Delaware
- Other

- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: June 21, 1999

2. Name and address of receiving party(ies):

Name: General Electric Capital Corporation

Internal Address: Suite 600

Street Address: 3379 Peachtree Road, N.E.

City Atlanta State GA ZIP 30303

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation-State New York

Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designation must be a separate document from Assignments)

Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)  
(See attached schedule)

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Pamela A. Allen

Internal Address: King & Spalding

Street Address: 191 Peachtree Street

City: Atlanta State: GA ZIP 30303

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41): \$140.00 E

Enclosed \$120.00 Expedited Fee E

Authorized to be charged to deposit account

8. Deposit account number:

110980

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Pamela A. Allen

6/21/99

Name of Person Signing

Signature

Date

Total number of pages comprising cover sheet: 6

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

06/28/1999 BCDATES 00000053 772668

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

01 FC:481  
02 FC:482  
03 FC:484

40.00 OP  
100.00 OP

Public burden for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project, (0651-0011), Washington, D.C. 20503

TRADEMARK

REEL: 1887 FRAME: 0780

SCHEDULE I  
to  
TRADEMARK SECURITY AGREEMENT  
TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Owner</u>	<u>Status in Trademark Office</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>
CMC	Cleveland	Registered	772,888	7-7-64
Fash-N-Knit	Cleveland	Registered	1,320,190	2-12-85
Knit Stitch Design	Cleveland	Registered	1,674,287	2-4-82
Design (Cleveland)	Cleveland	Registered	1,302,227	
Design (Cleveland)	Cleveland	Registered	1,343,658	

TRADEMARK APPLICATIONS

None.

TRADEMARK LICENSES

Name of Agreement

Parties

Date of Agreement

None.

## TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of June 21, 1999, by CLEVELAND MILLS COMPANY, a Delaware corporation ("Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation, in its capacity as Agent for Lenders.

### WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof by and among the Spartan Mills, a South Carolina corporation (the "Borrower"), the Persons named therein as Credit Parties, Agent and the Persons signatory thereto from time to time as Lenders (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Lenders have agreed to make the Loans and to incur Letter of Credit Obligations for the benefit of Borrower;

WHEREAS, Agent and Lenders are willing to make the Loans and to incur Letter of Credit Obligations as provided for in the Credit Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Agent, for itself and the ratable benefit of Lenders, that certain Security Agreement dated as of the date herewith (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement");

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Agent, for itself and the ratable benefit of Lenders, this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in Annex A thereto to the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. Grantor hereby grants to Agent, on behalf of itself and Lenders, a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral");

(a) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and

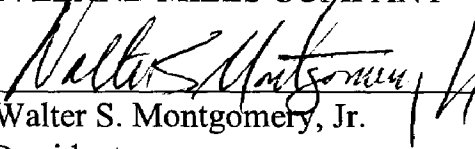
(d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Agent, on behalf of itself and Lenders, pursuant to the Security Agreement. Grantor and Agent hereby acknowledge and affirm that the rights and remedies of the parties with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

CLEVELAND MILLS COMPANY

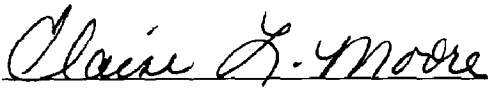
By:

  
Walter S. Montgomery, Jr.  
President

ACCEPTED AND ACKNOWLEDGED BY:

GENERAL ELECTRIC CAPITAL  
CORPORATION

By:



Elaine L. Moore

Duly Authorized Signatory

ACKNOWLEDGMENT OF GRANTOR

STATE OF South Carolina     )  
  )     ss.  
COUNTY OF Spartanburg     )

On this 15th day of June, 1999 before me personally appeared Walter S. Montgomery, Jr., proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Cleveland Mills Company, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

*Leticia J. Tate*  
\_\_\_\_\_  
Notary Public {seal}  
*My Commission Expires 3/31/2002*

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